
700 SPECIALIZED DUTIES OF RECIPIENTS

COOPERATIVES AND CONSORTIA

WHAT ARE COOPERATIVES AND CONSORTIA?

The OPI sub-grants certain federal program funds to cooperatives or consortia. Some programs allow or even require groups of applicants to jointly apply for a single grant award.

The term “cooperative,” for purposes of special education, means an administrative entity formed in accord with the requirements of 20-7-451 through 20-7-457, MCA, and which provides special education services. Districts which participate in a cooperative for the purpose of delivering special education services must apply for their IDEA B and Preschool funds through the cooperative. The “prime applicant,” or “fiscal host” for the cooperative is the cooperative itself with the director of the cooperative designated as the authorized representative.

Consortia, as used in this manual, means a group of school districts or other statutorily allowable entities that work together for a common purpose. The term includes those school districts which have an interlocal agreement for the purpose of providing special education or other agreed on services. Other examples of consortia include: a) An elementary school and high school with a combined school board who cooperatively apply for a grant to serve both the elementary and high school programs; b) A group of otherwise unrelated schools, including elementary and/or high schools, who apply to use a single grant award. A school district may be a member of several consortia at the same time for different grant programs.

The “prime applicant” for a consortium must be a school district. The prime applicant must receive the grant and spend it directly for project expenditures. Federal awards granted to consortia may not be passed-through to member school districts or other subrecipients.

[NOTE: IDEA B and Preschool are the only formula programs which allow the prime applicant to pass-through funds to subrecipients.]

PROGRAMS THAT ALLOW COOPERATIVE/CONSORTIUM APPLICATIONS

The following federal programs administered by the OPI are available to cooperatives and consortia:

IDEA Part B and Preschool—Districts which participate in a cooperative or in a consortium for the purpose of providing special education services must apply for their IDEA funds through a single application. The cooperative must apply for IDEA funds on behalf of its participating districts. A school district must apply as the “prime applicant” on behalf of the districts participating in a consortium for delivering special education services. In both cases, the entity which applies for the funds on behalf of its participating district has additional responsibilities for program monitoring as described in “Pass-Through Entity Responsibilities.”

ESEA Title I, Part A, Improving Basic Programs—Grants to unified elementary/high school districts are allowed and encouraged. Awards are allocated separately to elementary and high

school programs WITHIN THE SINGLE AWARD AMOUNT. Expenditures for elementary and high school programs must be separately tracked and reported.

ESEA Title I, Part B, Subpart 3, Even Start—To qualify as an “eligible entity” for an Even Start Family Literacy sub-grant, an applicant must be a partnership between one or more school districts and one or more nonprofit community-based organizations, public agencies other than a school district, institutions of higher education, or public or private nonprofit organizations of demonstrated quality other than a school district.

ESEA Title II, Part A, Teacher and Principal Training and Recruiting Fund—Consortia are allowed if recipients want to pool their resources to provide more extensive programs.

ESEA Title II, Part D, Educational Technology—There is no consortium requirement for small districts, although consortia are allowed.

ESEA Title III, Part A, English Language Acquisition—Excludes LEAs from getting an award if they qualify for less than \$10,000. Two or more LEAs may submit a joint application in order to qualify for an award.

ESEA Title IV, Part A, Safe and Drug-Free Schools and Communities—Consortia of local education agencies or educational service agencies are allowed in order to establish, operate, or improve local programs of school drug and violence prevention.

ESEA Title V Part A, Innovative Programs—Consortia are allowed if recipients want to pool their resources to provide more extensive programs.

Adult Basic and Literacy Education—Consortia are allowed. Partners may include local education agencies, community-based organizations, correctional education agencies, post-secondary education institutions, institutions that serve educationally disadvantaged adults and any other institution that has the ability to provide literacy services to adults and families.

Learn and Serve Homeland Security—Allows partnership with at least one additional local public or private nonprofit organization.

COOPERATIVE/CONSORTIUM RESPONSIBILITIES

The “prime applicant,” or host, of the special education cooperative, or a consortium must fulfill the following responsibilities:

1. Applications: Submit all applications and reports of all participants required under the program;
2. Spend the money directly for project activities: Funds may not be passed-through to members of a cooperative or consortium for formula grants, except for IDEA B and Preschool programs;
3. Reports: Submit all Fiscal Closeout Reports, Final Program Reports and other reports to the OPI as required;
4. Cash Requests and Cash Management: Request the project cash and ensure compliance with federal cash management regulations requiring a sub-grant recipient to minimize the time between cash draws and expenditures;

5. Pass-Through Monitoring: Under the IDEA B and Preschool programs, monitor expenditures of all money passed-through to participants for compliance with federal program regulations pertaining to the program by:
 - a. Collecting annual cash request forms from subrecipients and reviewing for reasonableness before submitting the forms to the OPI on behalf of participants.
 - b. Collecting and reviewing fiscal reports from each subrecipient to ensure funds were used in accordance with program regulations;
 - c. Ensuring unspent money is refunded to the OPI through the prime applicant as required; and
 - d. Fulfilling other responsibilities under “PASS-THROUGH ENTITY RESPONSIBILITIES” below.
6. Audits: Comply with federal and state audit requirements by having audits performed as required and taking appropriate corrective action on audit findings. The prime applicant will have the federal award audited as part of their annual financial compliance audit. Pass-through funding will be reported in the audit. Money passed-through to subrecipients under the IDEA B and Preschool programs must also be reported in the audit of the subrecipient.
7. Questioned Costs/Refunds: Resolve any questioned costs noted during audits or other monitoring processes. Refunds due to grantors are the prime applicant entity’s responsibility.
8. Equipment: Inventory and track any equipment purchased directly by the prime applicant. Equipment purchased by the recipients of pass-through moneys are to be tracked on the recipient’s records.

PASS-THROUGH ENTITY RESPONSIBILITIES

The IDEA Part B and Preschool programs allow prime applicants to pass-through federal funds. The OMB Circular A-133 lists the following responsibilities for entities that pass-through federal awards:

1. Identify awards made by informing each subrecipient of the CFDA title and number, award year and the federal grantor;
2. Advise subrecipients of the program requirements imposed upon them by federal laws, regulations and contractual agreements, and any further restrictions imposed on them by the pass-through entity;
3. Monitor activities of subrecipients as necessary to ensure federal awards are used for authorized purposes in compliance with state and federal laws, regulations, and contracts and that performance goals are achieved;
4. Ensure a subrecipient receiving \$500,000 or more in federal funds meets the federal audit requirements (the OPI already fulfills this obligation if the subrecipient is a public school district);
5. Review the subrecipient’s audit report and ensure appropriate corrective action is appropriate and timely;

6. Require each subrecipient to permit the prime applicant and auditors to have access to records and financial statements as necessary for audit.

UNAUTHORIZED PASS-THROUGH OF FEDERAL PROGRAM FUNDS

The OPI administered programs, other than IDEA Part B and Preschool programs, do not allow pass-through of funds to subrecipients by prime applicants. The OPI may require a prime applicant to refund federal funds which were passed-through to members of a cooperative or consortium without authority.

DUTIES OF THE AUTHORIZED REPRESENTATIVE (AR)

An “Authorized Representative” is a person who legally acts on behalf of the subrecipient of federal and state grants. The authorized representative is the liaison between the subrecipient and the grantor.

School District Authorized Representatives

The Board of Trustees has the authority to act on behalf of the school district. The OPI assumes the Board of Trustees delegates their authority to the district superintendent, who will act as authorized representative of the school district receiving federal and/or state grants. If the school district, because of its size, does not have a district superintendent, the principal will be presumed to be the authorized representative. If a district has neither a superintendent nor a principal, the county superintendent will assume the role of authorized representative. Although this assignment of duties will be assumed by the OPI, the trustees may instead retain the Chairman of the Board in the role of authorized representative for the board. The trustees should send written notice to the OPI if they choose to retain the Chairman as authorized representative.

Authorized Representatives of Subrecipients Who are Not School Districts

The chairman of the managing board or committee of the subrecipient organization will be assumed to be the authorized representative, unless the board designates an alternative in writing to the OPI.

Role of the Authorized Representative

The signature of the authorized representative: 1) protects the legal rights and interests of the subrecipient; and 2) commits the subrecipient to fulfill obligations of federal projects. The signature of the authorized representative forms a legal contract between the subrecipient and the grantor agency, the OPI. By signing documents on behalf of the organization, the authorized representative binds the subrecipient to perform within the terms of the grant agreement, common assurances documents, administrative requirements, programmatic requirements, etc.

The Authorized Representative is responsible for:

1. Developing a work plan or calendar to administer and achieve the goals and objectives of the grant award;
2. Informing the clerk/business manager of the local education agency (LEA) or other entity of the application, approval of the award, applicable requirements for allowable costs of the program, reporting requirements, budget or program modifications, close-out procedures, etc.

3. Ensuring the entity meets the Federal Financial Management Standards (Section 400-1).
4. Ensuring an appropriate system of time and effort records is used in cases where an employee paid using grant funds is also paid using local or state funds or funds of another federal program;
5. Submitting timely, accurate program reports and ensuring the person responsible for fiscal reporting is also prompt and accurate; and
6. Ensuring the grant award is administered in compliance with applicable state and federal laws and regulations.

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